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Pebble mine partnership raises fears

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COMMENT

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Commentary

News that the British and Australian mining giant Rio Tinto has purchased a 20 percent share in Northern Dynasty's Pebble Mine project is not good for those concerned with the environmental and community impact of the proposed mine. This positions Rio Tinto, which made a \$5 billion profit in 2005, to be the actual operator of the mine should state and federal permits be secured. Northern Dynasty is essentially an exploration, permitting and public relations company. Once the permits are secured, they will sell that exceedingly valuable commodity to companies like Rio Tinto to do the actual work.

Rio Tinto is currently involved in the Oyu Tolgoi mine in Mongolia where it has partnered with Robert Friedland's Ivanhoe Mines of Vancouver with whom it has been in various mining partnerships since the 1980s. Friedland has been called "Toxic Bob" by Forbes magazine for his role in the largest mining disaster in the United States--Summitville in Colorado where toxic chemicals leaking from a tailings lake have cost taxpayers \$200 million to clean up and the water treatment facility will have to be operated in perpetuity. For his part Friedland paid a \$20 million fine (while admitting no wrongdoing) and had his \$1.25 million legal fees reimbursed by the federal government.

Troubles at the Oyu Tolgoi mine have to do with rampant development, government corruption and concerns over water in this desert area. According to Patrick Barta, writing in the Wall Street Journal, the capital, Ulaanbaatar, now sees, "shiny black Humvees driven by Mongolians and foreigners cashing in on the incipient mining boom."

According to the New Internationalist, in 2005 Friedland told potential Oyu Tolgoi investors, "And the nice thing about this: There's no people around; the land is flat, there's no tropical jungle; there's no NGOs. We're only 70 kilometers from the Chinese border. It does not snow here. You've got lots of room for waste dumps." For these and other statements (Friedland claims he was quoted out of context) Friedland was burned in effigy in Mongolia and the government slapped a windfall profits tax of 50 percent on gold and copper exports; however, government ministers are now backtracking under pressure from the industry to create a mine-friendly financial climate.

In 2006 the religious-based Ecumenical Council for Corporate Responsibility took Rio Tinto to task for a number of questionable practices at mines it or one of its subsidiaries or joint-venture partners operate around the world including the Grasberg mine in West Papua, Indonesia, and Ranger uranium mine in Australia. New York Times writer Jane Perlez describes satellite images of Freeport-Rio Tinto's Grasberg mine, said to be the world's

richest, as "spreading a soot-colored bruise of almost a billion tons of mine waste ... dumped directly into a jungle river" and implies collusion with corrupt local officials shielding them from the mess. The FBI have concluded that the murder of two U.S. teachers and one Indonesian working for Freeport-Rio Tinto in 2002 was done to pressure the company into making payoffs to corrupt local officials.

In Australia, Rio Tinto and its partner ERA have been implicated in 120 mishaps including two children who played in uranium contaminated mud for a month, according to Lindsay Murdoch of the Sydney Morning Herald. Their father, who worked for the Ranger mine within Kakadu National Park on land owned by the Mirarr Aborigines, was also exposed and was fired. The Mirarr have protested operating conditions at the mine, and the Australian Conservation Foundation has charged that the mine is "leaking and the leaks are getting worse."

According to Steve James of Reuters, in 2006 the 9th Circuit Court of Appeals ruled a case brought by Bougainville Islanders of Papua New Guinea against Rio Tinto may be heard under the Alien Tort Claims Act. The suit claims Rio Tinto conspired with the New Guinea government to suppress civil resistance to its Panguna copper mine that led to the death of thousands between 1989 and 1999. The suit claims Rio Tinto destroyed villages, razed the rain forest and sliced off a hillside in operating the world's largest open-pit mine while depositing waste rock and tailings that polluted a river destroying the fish.

Friends of Pebble Mine have urged Alaskans to have faith in the permitting process. With partners like Rio Tinto, we better have a lot more than faith.

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Graphic 1: BORAAS\_BW\_041407.eps

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